



OVERVIEW OF PROPOSED INTERRUPTIBLE AGRICULTURAL WATER RATES, RULES AND DCP FOR CALENDAR YEAR 2020

Water Operations Committee Meeting
Jan. 21, 2020



What's Changed From 2019 Rate?

- Operations and maintenance costs updated to include 2019
- River management cost allocation updated (year five of eight)
- Billing units updated based on acreage irrigated and water used

Interruptible Billing Units – 2020 Rate

	Lakeside	Gulf Coast	Garwood	How Derived
Acres				
Rice – first crop	19,927	8,842	17,764	Three-year average – 2017, 2018, 2019
Rice – second crop	11,242	5,455	13,660	
Turf		1,541		
Times: water use per acre (a-f per acre) *				
Rice – first crop	2.019	3.003	2.017	20+ year statistical analysis
Rice – second crop	1.076	1.347	1.151	Three-year average – 2017, 2018, 2019
Turf		0.883		
Equal: billing units (a-f) *				
Rice – first crop	40,237	26,551	35,837	
Rice – second crop	12,100	7,347	15,717	
Turf		1,360		
Total interruptible billing units	52,337	35,258	51,554	

* Water use is delivered to the field

Lakeside Rate Calculation

(Dollars in thousands)	CY 2020 Rate	CY 2019 Rate	Variance – Favorable (Unfavorable)	
			Amount	Percent
Irrigation (water delivery) costs	\$2,591	\$2,995	\$404	13%
Add: net allocated river management costs	\$1,366	\$1,284	(\$82)	(6%)
Total costs	\$3,957	\$4,279	\$322	8%
Less: use of Agriculture Reserve Fund	(\$660)	(\$663)	(\$3)	(<1%)
Net total costs	\$3,297	\$3,616	\$319	9%
Divided by: billing units (a-f)	52,337	60,270	(7,933)	(13%)
Equal: rate (\$/a-f)	\$63.00	\$60.00	(\$3.00)	(5%)

Gulf Coast Rate Calculation

(Dollars in thousands)	CY 2020 Rate	CY 2019 Rate	Variance – Favorable (Unfavorable)	
			Amount	Percent
Irrigation (water delivery) costs	\$2,456	\$2,972	\$516	17%
Add: net allocated river management costs	\$921	\$995	\$74	7%
Total costs	\$3,377	\$3,967	\$590	15%
Less: use of Agriculture Reserve Fund	(\$1,155)	(\$1,165)	(\$10)	(1%)
Net total costs	\$2,222	\$2,802	\$580	21%
Divided by: billing units (a-f)	35,258	46,697	(11,439)	(24%)
Equal: rate (\$/a-f)	\$63.00	\$60.00	(\$3.00)	(5%)

Garwood Rate Calculation

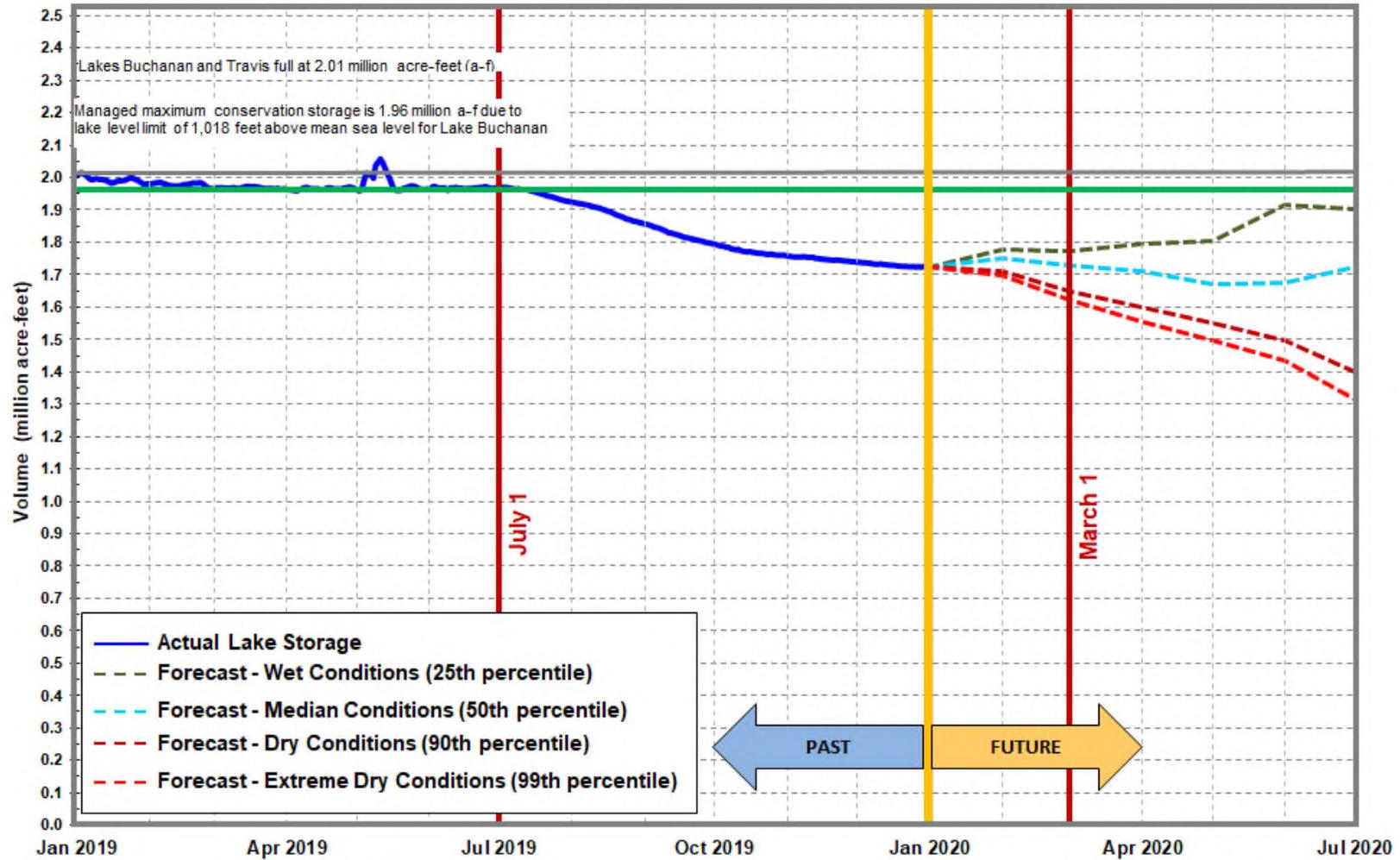
(Dollars in thousands)	CY 2020 Rate	CY 2019 Rate	Variance – Favorable (Unfavorable)	
			Amount	Percent
Total costs	\$1,997	\$1,942	(\$55)	(3%)
Divided by: billing units (a-f)	51,554	50,916	638	1%
Equal: rate (\$/a-f)	\$38.74	\$38.14	(\$0.60)	(2%)
Rate – one lift	\$37.44	\$36.86	(\$0.58)	(2%)
Rate – two lifts	\$44.38	\$43.69	(\$0.69)	(2%)

Proposed Rates and Surcharges

(\$ per acre-foot)

Division	Rice/Turf and Supplemental	Excess Use Surcharge		
		Tier 1 (40%)	Tier 2 (80%)	Tier 3 (150%)
Gulf Coast	\$63.00	\$25.20	\$50.40	\$94.50
Lakeside	\$63.00	\$25.20	\$50.40	\$94.50
Garwood – one lift	\$37.44	\$14.98	\$29.95	\$56.16
Garwood – two lifts	\$44.38			

Lakes Buchanan and Travis Total Combined Storage Projections



Note: One acre-foot equals 325,851 gallons.

Date: Jan. 1, 2020

Drought Contingency Plan and Contract Rules

- DCP allocates interruptible stored water under the Water Management Plan
- Interruptible Agriculture Contract Rules spell out the “how”

Summary of Major Changes

- Includes changes to allow operation under the existing WMP or the new WMP if adopted by Texas Commission on Environmental Quality
- Use of allocated interruptible stored water between Gulf Coast and Lakeside irrigation divisions
- Update dispute resolution procedures

Public Input

- Placed on website for review and comment
- Allowed four weeks for review and comment
- Emailed notice to interruptible customers and our interested parties subscription list
- Areas of comment:
 - Cost allocation and pricing
 - Policies for delivering and accounting

Key Dates for First Season

- February: rice and turf intentions and applications due
- March 1: WMP availability determination
- Mid-March:
 - Rice and turf contracts due
 - Earliest delivery to rice, and turf supplemental contracting starts
 - Evaluate the availability of water to allocate to other division
- July 1: second season water availability determination under the WMP

Questions?